

Wednesday, February 2, 2011

Federal Minister supports education and dispute resolution approach

Minister for Small Business, Senator Nick Sherry, has reaffirmed his commitment to a moratorium on changes to the Franchising Code of Conduct and again rejected calls from some State backbench MPs for introduction of State-based laws.

The Franchise Council has welcomed the commitment from Senator Sherry and applauded the Federal Government's approach, following comprehensive reviews of franchising regulation carried out in 2008/09. These extensive changes to the Code and ACCC powers come into effect 1 July 2010 and 1 January 2011.

In an address to his first national Small Business Forum since being appointed Minister at the last Federal election, Senator Sherry repeated assurances he gave the franchising community at the FCA national conference in October last year -- a break from any further changes to the Code until 2013 and a position firmly against State-based franchising laws.

Senator Sherry highlighted enhanced dispute resolution as an area the Government was willing to explore as a response to issues raised in State-based initiatives in WA and SA.

In response questions from the FCA, Senator Sherry also acknowledged that education was a key element to reducing disputes and supporting their quick and effective resolution.

The enhanced education and dispute resolution approach has been a central plank of the FCA submissions to Governments in Canberra, Brisbane, Perth and Adelaide in previous months – and is an extension of the FCA submissions provided to the Franchising Inquiries in WA, SA and Federally in 2008 and 2009.

FCA Executive Director, Steve Wright, said the Federal Government was right in sticking to its guns on having one national set of laws apply to franchising Australia-wide.

“Senator Sherry has today repeated the message, that after extensive examination of the issues by Government and trade practices legal and academic experts, the Government is convinced that State-based intervention is unnecessary and likely to create instability and added costs in franchising,” Mr Wright said.

“The FCA agrees and has stated this message strongly to Governments and MPs in WA and SA.”

“And we are not alone; I understand that there have been many submissions made to Government along the same lines, by franchising organisations and others.”

The FCA welcomed the opportunity to provide feedback to the foreshadowed policy paper.



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Franchise Council of Australia Media Release

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